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Notice of Annual General Meeting

AusGroup Limited

(Incorporated In The Republic Of Singapore)

Company Registration No. 200413014R

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of AusGroup Limited (the “Company”) will be held at Room 309, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 26 October 2017 at 10:00 a.m. for the following purposes:-

As Ordinary Business

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the year ended 30 June 2017 together with the Auditors’ Report thereon.
(Resolution 1)
2. To re-elect the following Directors of the Company retiring pursuant to Articles 91 and 97 of the Constitution of the Company:

Ms Ooi Chee Kar	[Retiring under Article 91]	(Resolution 2)
Mr Eng Chiaw Koon	[Retiring under Article 91]	(Resolution 3)
Mr Shane Francis Kimpton	[Retiring under Article 97]	(Resolution 4)

Ms Ooi Chee Kar will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Nominating Committee and will be considered independent.

Mr Eng Chiaw Koon will, upon re-election as a Director of the Company, remain as a Managing Director and Executive Director of the Company and will be considered non-independent.

Mr Shane Francis Kimpton will, upon re-election as a Director of the Company, remain as a Chief Executive Officer and Executive Director and will be considered non-independent.
3. To approve the payment of Directors’ fees of up to S\$500,000 for the year ending 30 June 2018, to be paid quarterly in arrears (2017: up to S\$400,000).
(Resolution 5)
4. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

As Special Business

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

5. Authority to issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

Notice of Annual General Meeting continued

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)]

(Resolution 6)

6. The proposed renewal of the interested person transactions mandate

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be “**entities at risk**” under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in Annexure A of the Appendix, with any party who is of the classes of Interested Persons described in Annexure A of the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions described in Annexure A of the Appendix;
- (b) the approval given in sub-paragraph (a) above (the “**Mandate**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and
- (c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may in their/his absolute discretion consider expedient or necessary to give effect to the Mandate and/or this resolution.

(Resolution 7)

By Order of the Board



Ngiam May Ling
Secretaries

and



Lee Tiong Hock

Singapore,
11 October 2017

Explanatory Note:

- (i) The Ordinary Resolution 6 in item 5 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

- (a) A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Annual General Meeting (the "**Meeting**").

(b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
- A proxy need not be a member of the Company.
- The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316 not less than 48 hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Appendix

11 October 2017

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of AusGroup Limited (the "Company"), you should immediately forward this Appendix with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements made, reports contained or opinions expressed in this Appendix. The approval of the SGX-ST shall not be taken as an indication of the merits of the Proposed Resolution (as defined below).

TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 11 October 2017

IN RELATION TO THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	24 October 2017 at 10:00am
Date and time of Annual General Meeting	:	26 October 2017 at 10:00am
Place of Annual General Meeting	:	Room 309, Level 3, Suntec Singapore Convention & Exhibition Centre 1 Raffles Boulevard, Suntec City, Singapore 039593

Definitions

In this Appendix, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“AGM”	:	Annual general meeting of the Company. Unless the context otherwise requires, “AGM” shall refer to the annual general meeting to be held on 26 October 2017
“Appendix”	:	This appendix to Shareholders dated 11 October 2017
“Associate”	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
“Associated Company”	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
“Audit Committee”	:	The audit committee of the Company
“Board”	:	The board of Directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	The Chief Executive Officer of the Company
“Company”	:	AusGroup Limited
“Companies Act”	:	The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Controlling Interest”	:	The interest of the Controlling Shareholder(s)
“Controlling Shareholder”	:	A person who:- (a) holds directly or indirectly 15% or more of the nominal amount of voting shares in the Company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or (b) in fact exercises control over the Company
“Director”	:	A director of the Company
“Ezion”	:	Ezion Holdings Limited
“FY” or “Financial Year”	:	Financial year ended or ending on 30 June
“Group”	:	The Company and its subsidiaries, collectively
“Independent Shareholders”	:	Shareholders who are considered independent for the purposes of the proposed renewal of the IPT Mandate

“Interested Person(s)”	:	A Director, CEO, Substantial Shareholder or Controlling Shareholder of the Company or an Associate of any of them
“Interested Person Transaction” or “IPT”	:	Transaction between (i) Interested Persons and (ii) the Company, its subsidiaries (which are not listed on the SGX-ST or an approved exchange) or any Associated Companies (which are not listed on the SGX-ST or an approved exchange), provided the Group or the Group and its Interested Persons have control over the Associated Company
“IPT Mandate”	:	The general mandate approved by Shareholders pursuant to Chapter 9 of the Listing Manual for the Group to enter into the Mandated Transactions with specified classes of the Company’s Interested Person(s), as more fully described in Section 2.1
“IPT Mandate Independent Directors”	:	The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate, namely [Mr Stuart Maxwell Kenny, Mr Chew Heng Ching, Mr Eng Chiaw Koon, Ms Ooi Chee Kar and Mr Wu Yu Liang]
“Latest Practicable Date”	:	27 September 2017, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	:	The Listing Manual of the SGX-ST applicable to issuers listed on the Mainboard, as amended or modified from time to time
“Mainboard”	:	The Mainboard of the SGX-ST
“Mandated Transactions”	:	The provision of vessel services to and from the Interested Persons and the provision of general goods and services to and from Interested Persons, details of which can be found in Section 4 of Annexure A of this Appendix
“NTA”	:	Net tangible asset
“Ordinary Resolution” or “Proposed Resolution”	:	The ordinary resolution relating to the proposed renewal of the IPT Mandate set out in this Appendix and in the notice of AGM
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons (other than CDP) who are for the time being registered as holders of Shares in the Register of Members maintained by the Company and Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Ordinary shares in the capital of the Company
“Substantial Shareholder”	:	A person who has an interest, directly or indirectly, in five per cent (5%) or more of the total number of Shares
“S\$” and “cents”	:	Dollars and cents, respectively, the lawful currency of the Republic of Singapore
“%” or “per cent.”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term **“associate”** shall have the meaning ascribed to it in the Listing Manual.

The term **“subsidiaries”** shall have the meaning ascribed to it respectively in the Companies Act.

Any reference to a time of day in this Appendix shall be a reference to Singapore time, unless otherwise stated.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Listing Manual or such statutory modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or such statutory modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any discrepancies in figures included in this Appendix between the amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Letter to Shareholders

AusGroup Limited

(incorporated in the Republic of Singapore)
(Company Registration Number: 200413014R)

Registered Office

15 Hoe Chiang Road
#12-05 Tower Fifteen
Singapore 089316

Board of Directors:

Mr Stuart Maxwell Kenny (Non-Executive Board Chairman)
Mr Chew Heng Ching (Lead Independent Non-Executive Director and Deputy Board Chairman)
Mr Eng Chiaw Koon (Managing Director)
Mr Shane Francis Kimpton (Chief Executive Officer and Executive Director)
Ms Ooi Chee Kar (Independent Non-Executive Director)
Mr Wu Yu Liang (Independent Non-Executive Director)

To: The Shareholders of AusGroup Limited

Dear Sir/Madam,

THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE

1. INTRODUCTION

Reference is made to the Notice of AGM dated 11 October 2017, accompanying the Annual Report of the Company for the financial year ended 30 June 2017, convening the AGM which is scheduled to be held on 26 October 2017 and the Ordinary Resolution 7 in relation to the proposed renewal of the IPT Mandate (the “**Proposed Resolution**”).

This Appendix is circulated to Shareholders together with the Company's Annual Report. The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and the rationale for, the Proposed Resolution, and to seek Shareholders' approval at the AGM for the aforementioned proposals.

2. THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE

2.1 The Existing IPT Mandate

At the extraordinary general meeting of the Company held on 29 October 2014, the Independent Shareholders granted approval for certain Interested Person Transactions to be entered into between the Company, its subsidiaries and associated companies or any of them, and the Company's Interested Persons, pursuant to Chapter 9 of the Listing Manual (the “**IPT Mandate**”). The IPT Mandate was subsequently renewed at the annual general meeting of the Company on 29 October 2015 and the annual general meeting of the Company on 15 December 2016.

The IPT Mandate enables the Company, its subsidiaries and associated companies or any of them which are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual to enter, in the ordinary course of business, into certain types of transactions with specified classes of the Company's Interested Persons, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority Shareholders, and are made in accordance with the review procedures for such transactions.

2.2 Details of the IPT Mandate

Details of the IPT Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices with interested persons and other general information required by Chapter 9 of the Listing Manual are set out in Annexure A to this Appendix.

2.3 Proposed Renewal of the IPT Mandate

The IPT Mandate was to take effect until the conclusion of the AGM to be held on 26 October 2017. Accordingly, the Directors propose that the IPT Mandate be renewed at the AGM, taking effect until the conclusion of the following AGM.

2.4 Audit Committee's Statement

The Audit Committee has reviewed the terms of the IPT Mandate and confirms that:

- (a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the extraordinary general meeting of the Company held on 29 October 2014 and the AGM of the Company held on 29 October 2015 and 15 December 2016; and
- (a) the methods or procedures for determining the transaction prices under the IPT Mandate are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If during the course of any of their reviews, the Audit Committee is of the view that the internal control procedures for Interested Person Transactions have become inappropriate or insufficient for whatever reasons, the Company will seek the Shareholders' approval for a fresh general mandate based on new internal control procedures to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. During the period prior to obtaining a fresh general mandate from the Shareholders, all Interested Person Transactions will be subject to prior review and approval by the Audit Committee.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the direct and indirect interests of each of the Directors in the Shares of the Company are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Mr Stuart Maxwell Kenny ⁽²⁾	-	-	8,908,896 ⁽²⁾	0.63%	8,908,896	0.63%
Mr Chew Heng Ching	-	-	-	-	-	-
Mr Eng Chiaw Koon	-	-	-	-	-	-
Ms Ooi Chee Kar	-	-	-	-	-	-
Mr Wu Yu Liang	-	-	-	-	-	-
Mr Shane Francis Kimpton	-	-	-	-	-	-
Substantial Shareholders						
Ezion Holdings Limited	272,821,736	19.30%	-	-	272,821,736	19.30%
Bernard Toh Bee Yong	133,199,808 ⁽³⁾	9.43%	-	-	133,199,808	9.43%
Poh Boon Kher Melvin	104,062,350 ⁽³⁾	7.36%	-	-	104,062,350	7.36%

Notes:

- (1) Based on the total issued and fully paid-up ordinary share capital of 1,413,250,486 Shares as at the Latest Practicable Date.
- (2) Mr Stuart Maxwell Kenny's deemed interest of 8,908,896 shares is held in the name of Emerald River Pty Ltd.
- (3) The shares are registered in the name of DBS Nominee Pte Ltd.

4. DIRECTORS' RECOMMENDATIONS

4.1 Directors' Recommendations for the Proposed Renewal of the IPT Mandate

The IPT Mandate Independent Directors, having considered, inter alia, the terms, rationale and benefits of the IPT Mandate, are of the view that the IPT Mandate, as proposed to be renewed, is in the best interests of the Company and accordingly recommend that the Independent Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the IPT Mandate.

4.2 Note to Shareholders

As different Shareholders would have different investment objectives and profiles with specific investment objectives, financial situation, tax position or unique needs or constraints, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

5. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Listing Manual, an interested person and any of its associates must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

Accordingly, Ezion will abstain from voting, whether by representative or proxy, on the ordinary resolution relating to the proposed renewal of the IPT Mandate. Ezion will not accept nominations as proxy or otherwise vote at the AGM in respect of the ordinary resolution relating to the proposed renewal of the IPT Mandate unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Resolution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Appendix in its proper form and context.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316 during normal business hours from the date of this Appendix up to and including the time and date of the AGM:

- (a) the annual report of the Company for FY2017; and
- (b) the Constitution of the Company.

Yours faithfully

For and on behalf of the Board of Directors of

AUSGROUP LIMITED



Stuart Maxwell Kenny
Board Chairman

Annexure A

Interested Person Transactions Mandate

1. Chapter 9 of the Listing Manual

1.1 Chapter 9 of the Listing Manual applies to transactions which an “entity at risk” proposes to enter into with a counterparty who is an “interested person” of the “entity at risk”. Under Chapter 9 of the Listing Manual, Shareholders’ approval and/or an immediate announcement is required in respect of that transaction if its value is equal to or exceeds certain financial thresholds.

Pursuant to Rule 905 of the Listing Manual, a listed company must make an immediate announcement of any such transaction where:

- (a) the value of such transaction is equal to or exceeds 3% of the group’s latest audited NTA; or
- (b) the value of such transaction when aggregated with the values of other transactions previously entered into with the same “interested person” in the same financial year, equals to or exceeds 3% of the group’s latest audited NTA.

Pursuant to Rule 906 of the Listing Manual, shareholders’ approval (in addition to an immediate announcement) is required for any such transaction where:

- (a) the value of such transaction is equal to or exceeds 5% of the group’s latest audited NTA; or
- (b) the value of such transaction when aggregated with the values of other transactions previously entered into with the same “interested person” in the same financial year, equals to or exceeds 5% of the group’s latest audited net tangible assets. Such aggregation need not include any transaction that has been approved by shareholders previously or is the subject of aggregation with another transaction that has been previously approved by shareholders.

“Interested person transactions” below S\$100,000 each are to be excluded.

1.2 Chapter 9 of the Listing Manual allows a listed company to obtain a general mandate from its shareholders for recurrent “interested person transactions” which are of a revenue or trading nature or for those necessary for its day-to-day operations. However, these transactions may not include the purchase or sale of assets, undertakings or businesses.

1.3 As defined in the Listing Manual:

- (a) an “entity at risk” means:
 - (i) the issuer;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s) has control over the associated company;
- (b) an “interested person” means:
 - (i) a director, chief executive officer or controlling shareholder of the listed company; or
 - (ii) an associate of such director, chief executive officer or controlling shareholder.
- (c) an “associate” means:
 - (i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
 - (aa) an immediate family member (that is, the spouse, child, adopted child, stepchild, sibling or parent);
 - (bb) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

Annexure A continued

- (cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;
- (d) an “interested person transaction” means a transaction between an entity at risk and an interested person; and
- (e) an “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles of Chapter 9.

2. Scope of the IPT Mandate

The IPT Mandate will cover a wide range of transactions arising in the normal course of business operations of the Company, its subsidiaries that are not listed on SGX-ST or an approved exchange, and its associated companies that are not listed on SGX-ST or an approved exchange, provided that the Group, or the Group and its interested person(s), has control over the associated company.

The IPT Mandate will not cover any transaction with an interested person (i) which has a value below S\$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such transactions; or (ii) that is equal to or exceeds S\$100,000 in value, but qualifies as an excepted transaction for the purposes of Chapter 9 of the Listing Manual and is thus exempted from the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual.

Transactions with interested persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual and/or any applicable law. Transactions conducted under the IPT Mandate are not separately subject to Rules 905 and 906 of Chapter 9 of the Listing Manual pertaining to threshold and aggregation requirements.

3. Classes of Interested Persons

The IPT Mandate will apply to transactions falling within the categories described in section 4 below which are carried out with Ezion and its subsidiaries (the “Interested Persons”).

4. Categories of Interested Person Transactions

The types of transactions with the Interested Persons specified in section 3 above to which the IPT Mandate applies (“Interested Person Transactions”) are broadly categorised as follows:

- (a) Provision of vessel services to and from the Interested Persons
 - (i) provision of technical management services by the Interested Persons to the Group pertaining to technical consultants and personnel for the supervision of the maintenance and upkeep of vessels;
 - (ii) the provision of ship management services by and to companies in which the Interested Persons have an interest;
 - (iii) arrangement of the supply of towing gears, stores, spares and other shipping supplies to and from the Interested Persons;
 - (iv) chartering of vessels to and from the Interested Persons;
 - (v) the Interested Persons acting as shipbroker for the Group; and
 - (vi) the Group acting as shipbroker for the Interested Persons.
- (b) Provision of general goods and services to and from Interested Persons
 - (i) the provision of management services by and to companies in which the Interested Persons have an interest;
 - (ii) the provision of accommodation services by and to companies in which the Interested Persons have an interest;
 - (iii) the entering into of trading transactions with trading companies in which the Interested Persons have an interest;

Annexure A continued

- (iv) the leasing of premises to or from companies in which the Interested Persons have an interest;
- (v) the provision of storage and trading facilities by and to companies in which the Interested Persons have an interest;
- (vi) the provision of products and materials by and to companies in which the Interested Persons have an interest; and
- (vii) the supply of plant and equipment which is of a revenue nature by and to companies in which the Interested Persons have an interest.

5. Rationale for and Benefits of the IPT Mandate

The Group is in the business of providing fabrication, construction and integrated services to build, maintain and upgrade oil and gas, mineral resource and infrastructure development projects. As part of the Group's objective to deliver a satisfactory return to Shareholders, the Group has expanded into the business of the provision of onshore and off-shore marine services, including but not limited to marine logistics and related support services in Australia.

It is envisaged that in the ordinary course of their businesses, transactions between the Group and the Company's interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the Group to the Company's interested persons or the obtaining of goods and services from them.

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the renewal of the IPT Mandate, pursuant to Chapter 9 of the Listing Manual, to enable the Company, its subsidiaries and associated companies which are considered to be "entities at risk" to enter into the ordinary course of business into certain types of transactions with specified classes of the Company's "interested persons", provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority Shareholders, and are made in accordance with the review procedures for such transactions. The renewal of the IPT Mandate will:

- (a) facilitate entry into the mandated transactions with the specified classes of interested persons in the ordinary course of the Group's businesses;
- (b) eliminate the need for the Company to announce or to announce and convene separate general meetings, on each occasion, pursuant to the financial limits imposed under Chapter 9 of the Listing Manual, to seek Shareholders' approval as and when such transactions with the interested persons arise, thereby:
 - (i) reducing substantially the administrative time, inconvenience and costs associated with the convening of such meetings; and
 - (ii) enabling the Group to maintain its overall competitiveness and not be placed at a disadvantage to other parties that do not require shareholders' approval to be obtained for entering into such transactions.

6. Review Procedures for the Interested Person Transactions under the IPT Mandate

To ensure that the Interested Person Transactions described in section 4 of this Annexure A are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and on terms which are either not more favourable than the usual commercial terms extended to unrelated third parties or not less favourable than the usual commercial terms offered by unrelated third parties, the Company has adopted the following procedures for the review and approval of Interested Person Transactions under the IPT Mandate:

- (a) Provision of general goods and services to and from the Interested Persons, including the Interested Person Transactions described in section 4 of this Annexure A

Any Interested Person Transactions will not be entered into unless the Group's purchase price of any products and/or services from the Interested Persons is based on their usual selling price of the relevant or comparable products and/or services. The purchase price will be no less favourable than that offered to unrelated third party customers after taking into consideration various factors including inter alia, the customers' credit standing, volume of transactions, delivery requirements, tenure of business relationship and potential for future repeat business. The Group will obtain from the Interested Persons the necessary evidence to satisfy itself that the basis set out herein has been adhered to by the Interested Persons in the Group's purchases from them. In addition, the Group will obtain quotations, where available, from at least

Annexure A continued

two (2) unrelated third party suppliers and/or service providers (“**Third-party Quotations**”) (where possible or available) for similar quantities and/or quality of goods or services, prior to the entry into the contract or transaction with the Interested Person, as basis for comparison to determine whether the price and terms offered are fair and reasonable and are on normal commercial terms.

The Group will not accept a quote from the Interested Persons which is not as competitive as a Third-party Quotation after taking into account the factors referred to above.

Where it is not possible to compare against the terms of other transactions with unrelated third parties given that the products and/or services may be purchased only from an Interested Person, or to obtain quotations from at least two (2) unrelated third party suppliers and/or service providers (where possible or available), the Group’s pricing for such products and/or services to be purchased from the Interested Persons will be determined by the CEO or the CFO, financial controller or equivalent of the relevant company in the Group, who has no interest in the Interested Person Transactions, in accordance with the Group’s usual business practices and policies. In determining the transaction price payable to the Interested Persons for such products, factors such as, but not limited to, quantity, requirements and specifications will be taken into account.

In the case of the leasing of premises, comparison of rates shall be made taking into account prevailing market rental rates for other properties within the vicinity of similar or comparable standing and facilities, the tenure of the lease, the area of the leased premises and any other factor which may affect the rental rates or terms of the lease.

- (b) (i) Chartering of vessels to and from the Interested Persons; (ii) the Interested Persons acting as shipbroker for the Group; and (iii) the Group acting as shipbroker for the Interested Persons

If there is any new charter, revision of charter rates charged to or by (as the case may be) or any renewal of chartering agreements between the Group and the Interested Persons, the senior finance officer of the relevant company in the Group will review the charter rates, the revision of charter rates, or the revised terms upon which the charter agreements are to be entered/renewed (as the case may be) to ensure that they are on normal commercial terms. This will be done by comparing the charter rates against those granted to or granted by at least two (2) unrelated third parties (where possible or available).

In the event that such comparative charter rates cannot be obtained (for instance, if there are no unrelated third parties), or quotations from at least two (2) unrelated third party suppliers and/or service providers cannot be obtained, the CEO or the CFO, financial controller or equivalent of the relevant company in the Group, who has no interest in the Interested Person Transactions, will determine whether the price and terms offered by the Interested Person are fair and reasonable. The terms of the charter will be in accordance with applicable industry norms, prevailing rates and at rates no less favourable than those charged by the Interested Person to an unrelated third party or from an unrelated third party to the Interested Person. In determining this, factors such as, but not limited to requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

For the shipbrokering of vessels for the Interested Persons by the Group and having the Interested Persons act as the shipbroker for the Group (as the case may be), the senior finance officer of the relevant company in the Group will review the brokerage fees that are due to and due from the Interested Persons (as the case may be) to ensure that they are on normal commercial terms. This will be done by comparing such relevant brokerage fees against those granted to or granted by at least two (2) unrelated third parties (where possible or available).

In the event that such comparative brokerage rates cannot be obtained (for instance, if there are no unrelated third parties), the CEO or the CFO, financial controller or equivalent of the relevant company in the Group, who has no interest in the Interested Person Transactions, will determine whether the price and terms offered by the Interested Person are fair and reasonable. The terms of the brokerage will be in accordance with applicable industry norms, prevailing rates and at rates no less favourable than those charged by the Interested Person to an unrelated third party or from an unrelated third party to the Interested Person (as the case may be). In determining this, factors such as, but not limited to condition of the vessel, size of the transaction, specifications and strategic purposes of the transaction will be taken into account.

- (c) The Company will monitor all Interested Person Transactions and categorise them as follows:

- (i) reducing substantially the administrative time, inconvenience and costs associated A Category 1 Interested Person Transaction is one where the value thereof is in excess of 5% of the latest audited consolidated NTA of the Company; and

Annexure A continued

- (ii) a Category 2 Interested Person Transaction is one where the value thereof is below or equal to 5% of the latest audited consolidated NTA of the Company.

All Category 1 Interested Person Transaction must be approved by the Company's Audit Committee prior to entry whereas Category 2 Interested Person Transaction need no such approval but these transactions with a value equivalent to or greater than S\$100,000 shall be reviewed, at a minimum, on a half-yearly basis by the Audit Committee. In addition to and without prejudice to the above, where the aggregate value of all Category 2 Interested Person Transaction with the same Interested Person (as defined in Rule 908 of the Listing Manual) in the current financial year is equal to or exceeds three percent (3%) of the latest audited NTA of the Group, the latest and all future Category 2 Interested Person Transaction with that same Interested Person (so defined) will be approved by the Audit Committee prior to the Group's entry into such transactions.

If any member of the Audit Committee has an interest in any Interested Person Transaction or is a nominee for the time being of an Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction.

The Company shall prepare the relevant information to assist the Audit Committee in its review.

- (d) The Company will keep a register to record all Interested Person Transactions, which register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis. The annual internal audit plan shall incorporate a review of all transactions entered into pursuant to the IPT Mandate.
- (e) The annual audit by the auditors of the Company shall incorporate a review of Interested Person Transactions entered into pursuant to the IPT Mandate recorded in the register.
- (f) The Audit Committee shall, if it deems necessary, require the appointment of auditors or any independent professional to review all matters relating to the Interested Person Transactions entered into pursuant to the IPT Mandate recorded in the register.
- (g) The Audit Committee will review the internal audit reports (including the register) on the Interested Person Transactions on at least a half-yearly basis to ascertain if the above internal control procedures have been complied with. If during the course of any of their reviews, the Audit Committee is of the view that the internal control procedures for Interested Person Transactions have become inappropriate or insufficient for whatever reasons, the Company will seek the Shareholders' approval for a fresh general mandate based on new internal control procedures to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. During the period prior to obtaining a fresh general mandate from the Shareholders, all Interested Person Transactions will be subject to prior review and approval by the Audit Committee.
- (h) Disclosure will be made in the Company's annual report of the aggregate value of transactions conducted pursuant to the IPT Mandate or otherwise, during the financial year under review, and in the annual reports for the subsequent financial years during which the IPT Mandate is renewed and remains in force.
- (i) The Company shall announce the aggregate value of transactions conducted pursuant to the IPT Mandate for the financial periods on which the Company is required to report pursuant to Rule 705 of the Listing Manual.
- (j) The Board will also ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with. In the event that a member of the Board or a member of the Audit Committee (where applicable) is interested in any Interested Person Transactions he/she will abstain from reviewing that particular transaction to ensure that the Interested Person Transaction will be on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

7. Expiry and Subsequent Renewal of the IPT Mandate

If approved by the Shareholders at the AGM, the IPT Mandate will take effect from the date of passing of the ordinary resolution relating thereto and will continue in force until the next AGM or the date by which the next AGM is required by law to be held, unless revoked or varied by the Company in a general meeting.

Annexure A continued

8. Disclosure of Interested Person Transactions Pursuant to the IPT Mandate

The Company will announce each of the aggregate values of transactions conducted with Interested Persons pursuant to each of the IPT Mandate for the quarterly financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.

Disclosure has been made in the Company's annual report for the financial year ended 30 June 2017 ("FY2017") of each of the aggregate values of the transactions conducted with Interested Persons pursuant to the IPT Mandate during FY2017, and will be made in our Company's annual reports for subsequent financial years that the IPT Mandate continues to be in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

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Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
 6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316 not less than 48 hours before the time appointed for the Meeting.
 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 October 2017.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Proxy Form

AusGroup Limited

(Incorporated in The Republic of Singapore)
Company Registration No. 200413014R

Important

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 on page 20, for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

(Please see notes on page 20 of this booklet before completing this form)

I/We _____

of _____
being a member/members of AusGroup Limited (the "Company") hereby appoint:

Name	NRIC / Passport No.	Proportion of Shareholdings (%)	
		No. of Shares	%
Address			
and/or (delete as appropriate)			
Name	NRIC / Passport No.	Proportion of Shareholdings (%)	
Address		No. of Shares	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Room 309, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 26 October 2017 at 10:00 am and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof. *

No.	Resolutions	Number of Votes For ⁽¹⁾	Number of Votes Against ⁽¹⁾
1	Adoption of the Directors' Statement and Audited Financial Statements for the year ended 30 June 2017 together with the Auditors' Report thereon		
2	Re-election of Ms Ooi Chee Kar as a Director of the Company		
3	Re-election of Mr Eng Chiau Koon as a Director of the Company		
4	Re-election of Mr Shane Francis Kimpson as a Director of the Company		
5	Approval of Directors' fees amounting up to S\$500,000 for the year ending 30 June 2018, to be paid quarterly in arrears		
6	Authority to issue new shares		
7	Renewal of the interested person transactions mandate		

(1) If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Signature(s) of Shareholder(s) or Common Seal of Corporate Shareholder _____

**Delete where inapplicable*

Total number of Shares In:		No. of Shares
(a)	CDP Register	
(b)	Register of Members	

Fold here

Affix
Postage
Stamp

AusGroup Limited
15 Hoe Chiang Road
#12-05 Tower Fifteen
Singapore 089316

Fold here

Fold and seal here. Do not staple

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BUSINESS REPLY SERVICE
PERMIT NO. 04910



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Share Registrar for
AusGroup Limited

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